GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:211
ANSWERED ON:16.11.2016
Market Share and Services of Telecom PSU
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Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the market share and profitability of both the telecom PSUs the MTNL and BSNL has been declining in comparison to their private counter parts;

(b) if so, the details of profit/losses of the PSUs and these mobile and landline subscribers of these PSUs in comparison to the private operators during the last three years and the current year along with the reasons for declining market share and losses;

(c) whether the telecom services particularly mobile network quality of these PSUs on their services are not satisfactory and the mobile tower capacity is not commensurate with the total number of subscribers;

(d) if so, number of mobile towers set up by MTNL and BSNL in their service areas as on date, State-wise and the number of towers proposed to be set up in poor connectivity areas, State-wise including Jharkhand; and

(e) the steps taken by the Government to increase the market share and revenue along with improving the service quality and network capacity of these PSUs?

Answer

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a)&(b) The details of market share in term of subscribers of Bharat Sanchar Nigam Limited (BSNL), Mahanagar Telephone Nigam Limited (MTNL) and private Telecom Services Providers (TSPs) during the last three years and upto September, 2016 are as follows:
<pre>
Name of Company Market Share (landline and mobile) (in %) as on
31.3.2014 31.3.2015 31.03.2016 30.09.2016
BSNL* 12.13 9.36 9.59 10.21
MTNL* 0.74 0.71 0.67 0.67
Total PSU 12.87 10.07 10.26 10.88
Total Private 87.13 89.93 89.74 89.12
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* BSNL and MTNL market share is out of all India market share.

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The profitability figures of telecom PSUs (i.e., BSNL & MTNL) and private TSPs for the last three years are as under:
(Profit Before Tax − in Rs. Crores)
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Name of Company 2013-14 2014-15 2015-16
BSNL -7124 -8843 -4169
MTNL 8322* -2893 -2498
Private Companies -3946 13485 4616
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* Due to payment of pension amount of Rs.12,017 crores to MTNL by government after Cabinet decision.

The declining trend of market share of Public Sector Undertakings (PSUs) has been arrested in 2015-16 and their market share for the whole year is likely to be higher. Thus, they have been competitive while retaining market share.

The main reasons for the reduction in market share of PSUs over the years are due to combination of number of factors:

Wireline (landline):

â€¢ There is a general decline in the fixed lines telephone connections as there is a tendency to shift to mobile services because of

their convenience, utility and availability even while on move.
â€¢ Surrender of telephone connections due to fixed monthly rental charges.
â€¢ Frequent interruption in landline service due to cable damage by various agencies working for road widening works, water and drainage activities, laying of electrical cables, etc. Further, the repair work of damaged cables is delayed due to obtaining permission from local authorities which affects timely restoration.
â€¢ Delay in decision making due to laid down procedures for PSUs.
Wireless (mobile):
â€¢ Stiff competition in mobile sector.
â€¢ Flexible / Aggressive tariff plans of private Telecom Service Providers.
â€¢ Entry of International Telecom Service Providers with deep pockets that follow aggressive sales and marketing of services unlike the PSUs.

(c) TRAI monitors the performance of service providers, including BSNL and MTNL against the benchmarks for various Quality of Service (QoS) parameters laid down by TRAI in the Quality of Service Regulations issued from time to time Quarterly Performance Monitoring Reports (PMRs) submitted by service providers.

As per TRAI Report:

(i) PMR for the quarter ending June 2016, for 2G services, M/s MTNL is meeting all the parameters in both Delhi & Mumbai service areas. In respect of M/s BSNL, the service provider is meeting all the parameters except Worst affected BTSs due to downtime (%age) (Benchmark <2%) in Kolkata and North East Service area, Stand-alone-Dedicated-Control-Channels (SDCCH)/Paging Chl. Congestion (%age) (Benchmark <1%) in West Bengal Service area and Worst affected cells having more than 3% Traffic Channel (TCH) drop (benchmark < 0.1%) in West Bengal Service area only.
(ii) PMR for the quarter ending June 2016, for 3G services, M/s MTNL is meeting all the parameters in both Delhi & Mumbai service areas except Connection with good voice quality and Circuit Switch Voice Quality (CSV quality) (Benchmark >95%) in Delhi Service area only. In respect of M/s BSNL, the service provider is meeting all the parameters except Worst affected Nod B's due to downtime (%age) (Benchmark <2%) in Kolkata and North East Service area and Worst affected cells having more than 3% CSV Quality (Benchmark >95%) in West Bengal Service area only.

(iii) In respect of Basic Wireline Service, as per PMR for the quarter ending June 2016, MTNL is meeting all the benchmarks for all the parameters in both Delhi & Mumbai service areas except % Fault repaired within 5 days (for urban areas) in Delhi & Mumbai service areas and Termination / closure of service - %age requests for Termination / closure of service complied within 7 days in Mumbai service area. In respect of M/s BSNL, the service provider is meeting all the parameters.

In BSNL network, overall mobile tower capacity is commensurate with the total number of subscribers. Till 30.09.2016 the total subscriber across the country is 9.31 crores against total capacity of the GSM 9.51 crores. In case of Jharkhand capacity installed is 20.7 lakhs while connection working in Jharkhand are 10.3 lakhs.

In MTNL network, it is forced to go slow on developmental projects due to severe financial problems. However, to improve mobile network capacity and quality, MTNL has placed the order of Mobile expansion and up-gradation for an amount of Rs.348 crores during the current and the last financial year.

(d) The details of mobile BTS/Node-Bs installed as on 30.09.2016 and the tower planned to be installed in upcoming projects (Phase VII+) under completion are given at Annexure-I and Annexure-II respectively.

(e) Government has taken several steps to increase the market share and revenue along with improving the service quality and network capacity of BSNL & MTNL as details below:

I- Provided financial assistance in the following forms:
â€¢ Refund of surrendered BWA (Broadband Wireless Access) spectrum in two service areas held by MTNL and in 6 service areas held by BSNL. Under this head, Rs. 4533.97 crore has been refunded to MTNL through bonds and Rs. 6724.51 crore is being refunded to BSNL through budgetary resources.
â€¢ The pension liability of MTNL for its staff who got absorbed from DoT, has been taken over by the Government.
â€¢ Notional loan of Rs. 1411 crore to BSNL which was due to be paid to the Government was waived-off.
â€¢ Financial support of Rs. 492.26 crore has been given to MTNL on account of liability arising from levy of Minimum Alternate Tax (MAT).
â€¢ Refund of Rs. 458.04 crore to MTNL and Rs. 169.16 crore to BSNL on account of surrender of CDMA (Code Division Multiple Access) spectrum.

II - Assigned some projects to BSNL, namely:

â€¢ Comprehensive Telecom Development Plan for the North-Eastern Region for provision of mobile services in uncovered villages in Arunachal Pradesh and two districts of Assam at estimated project cost of Rs. 1975.38 crore and implementation of Transmission-Media Plan for North Eastern Region at an estimated cost of Rs.295.97 crore on 10.9.2014.
â€¢ Implementation of providing mobile connectivity in 2199 identified locations in Left Wing Extremism (LWE) affected areas at an estimated cost of Rs. 3567.58 crores on 4.6.2013.
â€¢ Implementation of Comprehensive Telecom Development plan for Andaman & Nicobar Islands and Lakshadweep Islands through augmentation of satellite connectivity/bandwidth at an estimated cost of Rs. 120.49 crores on 7.11.2014.

Annexure I

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No. of Working Status of GSM BTS & Node B circle wise as on 30/9/2016

S.No	Name of Circle	No. of working BTS as on 30-09-2016 (2G)	No. of working Node B as on 30.09.2016 (3G)
1	Andaman & Nicobar	152	43
2	ASSAM	1433	869
3	BIHAR	2950	905
4	KOLKATTA	1276	706
5	JHARKHAND	1991	853
6	NORTH EAST I	784	349
7	NORTH EAST II	752	366
8	ORISSA	3225	1438
9	WEST BENGAL	2543	638
10	ANDHRA PRADESH	7655	3645
11	CHENNAI	1872	967
12	KERALA	5408	2906
13	KARNATAKA	5710	2601
14	TAMIL NADU	5834	2360
15	CHHATTISGARH	1918	518
16	GUJARAT	4643	2367
17	MAHARASHTRA	7398	2630
18	MADHYA PRADESH	3865	1247
19	HARYANA	2172	1203
20	HIMACHAL PRADESH	1252	397
21	Jammu & Kashmir	1189	473
22	PUNJAB	3489	1603
23	RAJASTHAN	4245	1565
24	UTTARAKHAND	1058	491
25	UTTAR PRADESH (EAST)	5996	1908
26	UTTAR PRADESH (WEST)	2837	1361
TOTAL		81647	34409

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Annexure − II

Planned BTSs Status under Phase VII+ (as on 30.09.2016)

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S.N	Name of Circle	3G(NODE Bs) planned in Ph VII+	2G BTS Planned in Ph-VII+
1	HARYANA	530	383
2	HIMACHAL PRADESH	276	153
3	JAMMU & KASHMIR	176	176
4	PUNJAB	370	337
5	RAJASTHAN	428	428
6	UTTARANCHAL	256	154
7	UTTAR PRADESH(East)	710	625
8	UTTAR PRADESH(West)	305	330
9	ANADAMAN NICOBAR	60	67
10	ASSAM	330	270
11	BIHAR	821	821
12	KOLKATA	1000	1000
13	JHARKHAND	185	185
14	NORTH EAST-I	227	268
15	NORTH EAST-II	59	59
16	ORISSA	618	570
17	WEST BENGAL	75	200
18	ANDHRA PRADESH	1460	660
19	CHENNAI TD	371	251
20	KERALA	1950	638
21	KARNATAKA	1600	830
22	TAMILNADU	1461	600
23	CHATTISGARH	0	0
24	GUJARAT	0	0
25	MAHARASTRA	0	0
26	MADHYA PRADESH	0	0
Total		13268	9038

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